**Feds Settle with Ga. Over Mentally Ill Residents**

**By Associated Press**

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ATLANTA  —



Thousands of mentally ill residents will be transferred out of state-run hospitals to community environments by July 2015. (Photo by Getty Images).

The Justice Department has reached an agreement with Georgia over a long-running case involving what critics say is the unlawful segregation of residents with mental illness and developmental disabilities in state psychiatric hospitals.  
  
Federal prosecutors said Tuesday that Georgia has agreed to stop admitting people with developmental disabilities to state hospitals by July 2011. The state also agreed to transfer the 9,000 mentally ill now living in state-run hospitals to community settings by July 2015.  
  
U.S. Assistant Attorney General Thomas Perez called it a landmark settlement that is not only morally and legally right, but also fiscally appropriate. He says the state will save millions of dollars in hospital costs.  
  
Perez said he intends to use the settlement as a "template" for similar cases in other states.